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21 April 1982

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MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Director, Intelligence Community Staff

22 APR 1982

FROM:

Deputy Director, Intelligence Community Staff

SUBJECT: ASTECH Proposal for LANDSAT Operations

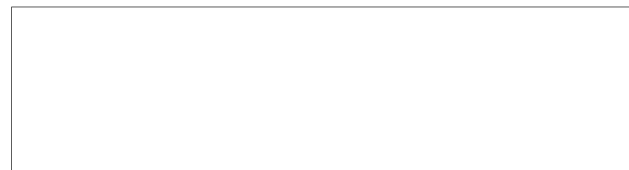
REFERENCE: Ltr from President, ASTECH, to Secretary of Commerce,
dated April 7, 1982 (ER 82-1022)

1. Action Requested: None. This memorandum provides background comments concerning the American Science and Technology Corporation (ASTECH) letter to Secretary of Commerce Baldrige, an information copy of which was forwarded to you.

2. The letter indicates a proposal to take over part of the LANDSAT program. More specifically, the interest is in taking over control and operation of the next two LANDSAT vehicles (D and D') after they are launched by the Federal Government. The assumption of command and control operations will be in return for receiving marketing rights for the resulting data. ASTECH's plan, developed in conjunction with Space Services, Inc., (SSI), is to integrate the two LANDSAT vehicles with a new series of four additional land remote sensing satellites which they would launch beginning in 1984.

3. From the viewpoint of the Federal Government, the proposal appears to afford the prospect of an early commercialization of the LANDSAT system--without the necessity of a guaranteed data purchase contract from the federal user agencies. On the other hand, ASTECH reserves the right to drop operational responsibility for the second LANDSAT vehicle (D') if the marketing of its data does not cover operational costs plus a reasonable profit.

4. ASTECH's linkage with SSI could increase its importance as a serious commercial competitor for the LANDSAT operation. Currently, SSI is known primarily for the August 1981 explosion of its test rocket on a launch pad on Matagorda Island, Texas. However, SSI has been hiring several key NASA personnel with experience in launching and operating space vehicles. An assessment of the pros and cons of the ASTECH proposal requires the kind of detail afforded by the OMB Circular A-76 competitive bidding procedure.



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